



Trinity-Pawling

Archibald A. Smith III, Headmaster
October 22, 2008

To the Trinity-Pawling Community,

As you would imagine, the severity of the current global economic situation is very much on our minds, and I am writing to assure you that our ability to deliver on our educational promise is unwavering. Like everyone else, we are concerned about the turmoil in the credit markets, the resulting volatility in the securities markets, and the consequences for our economy. We are hopeful that the situation will improve before too much time has lapsed, but we recognize that recovery may be protracted and that we need to take steps to ensure the future of Trinity-Pawling as we know it.

In this challenging environment of increased costs for fuel, electricity, food, and healthcare, it is essential that we take a closer look at our overall expenses, and look for ways to reduce unnecessary expenditures. I have asked each department head to question each expenditure and to recommend steps that we can take to reduce overall expenses. We have been prudent in obtaining interest rate swaps on our long-term debt to minimize risk. We have contracted fixed prices for energy. By self-insuring some of the medical benefits, we have reduced exposure. Though the impact of the market turmoil will present challenges for us, the School's financial situation is sound. Our endowment is diversified and well-managed. The School has balanced its budgets for over 20 years and we will continue to do so.

We are fortunate that Scully Hall, while in the midst of construction, is fully funded with the cash earning interest in an account. Now is not the time to venture into other projects, although the Long Range Planning Committee 2010 will continue to dream and plan for the time when expansion is prudent. As a result of the recent strong years, we have very little in the way of deferred maintenance.

As we look to the coming year, we will take steps to live within our means while not jeopardizing those tenets which have made Trinity-Pawling strong over the past decades. Small classes, a broad athletic program, and strong supervision in the dormitory will remain. We will balance our aspirations with the reality of life in 2008 and beyond, always striving to do the best for our students. Our priorities to our students will remain foremost. We will endeavor to increase financial aid to the current students where appropriate. We will maintain the employee base as best we can with competitive levels of compensation, always seeking the most qualified teachers and staff. We will protect our physical and fiscal assets to ensure our future.

This year especially, I ask if you are in a position to give, please do so. Economic uncertainty will impact our endowment returns and therefore our operating budget. In turn, resources for student programs and financial aid will be affected. In other words, our students need financial support now more than ever.

First and foremost, our mission is to provide an outstanding education for our students. We are mindful that all are struggling with the consequences of this economic climate. Trinity-Pawling will move forward, and our commitment to our boys will endure, as it has for more than a century.

Sincerely,